

A Guide to Estate Taxes

2007



Definitions



Filing and Payment Information



Department of Revenue Resources

Applicable to dates of death on or after January 1, 2003



Massachusetts Department of Revenue

Dear Family Member, Executor or Administrator:

In 2002, the Massachusetts Legislature changed the estate tax to “decouple” it from the federal estate tax. For dates of death occurring on or after January 1, 2003, the Massachusetts estate tax, also known as the “sponge tax,” is computed using the Internal Revenue Code in effect on December 31, 2000. As a result of these changes, the threshold amounts for filing Massachusetts and federal estate tax returns are different for the estates of decedents dying on or after January 1, 2003. Under the new law, Massachusetts estate tax returns are required when the gross estate plus adjusted taxable gifts, computed using the Internal Revenue Code in effect on December 31, 2000, exceeds \$700,000 for deaths in 2003; \$850,000 for deaths in 2004; \$950,000 for deaths in 2005; and \$1,000,000 for deaths in 2006 and thereafter.

The Economic Growth and Tax Relief Reconciliation Act of 2001 changed the federal estate tax but has no impact on the Massachusetts estate tax. Beginning in 2003, some estates will file a Massachusetts estate tax return but no federal estate tax return, and some estates will pay a Massachusetts estate tax but no federal estate tax.

This guide outlines the estate tax responsibilities for settling the estates of decedents with dates of death on or after January 1, 2003. If you have additional questions about the estate tax law or need help with the laws pertaining to estates of decedents with prior dates of death, please call one of our estate tax specialists. We hope you find this guide useful and encourage you to contact us if you need further assistance.

Sincerely,



Alan LeBovidge
Commissioner of Revenue

The purpose of this publication is to provide taxpayers with general information about Massachusetts tax laws and Department of Revenue policies and procedures as of December 1, 2006. It is not designed to address all questions in detail, and taxpayers are encouraged to seek further guidance as described throughout this guide. Nothing contained within this publication supersedes, alters or otherwise changes any provisions of Massachusetts General Laws, Massachusetts Department of Revenue Regulations or Rulings or any other sources of the law.

3	<i>From the Commissioner</i>
5	<i>Introduction</i>
6	<i>Definitions</i>
8	<i>Filing and Payment Information</i>
16	<i>Computation of Maximum Federal Credit for State Death Taxes</i>
20	<i>Commonly Requested Forms and Publications</i>
22	<i>Department of Revenue Resources</i>

For dates of death occurring on or after January 1, 2003, the Massachusetts estate tax is “decoupled” from the federal estate tax system. For these dates of death, the Massachusetts estate tax is imposed on estates using the Internal Revenue Code in effect on December 31, 2000. For estates of decedents dying after 2002, the applicable exclusion amount was \$700,000 in 2003 and increased to \$1,000,000 in 2006. Future changes to the federal estate tax law will have no impact on the computation of the Massachusetts estate tax.

*The estate tax is a transfer tax on the value of the decedent’s estate **before** distribution to any beneficiary.**

This guide explains the estate tax law that covers estates of those who died on or after January 1, 2003. For deaths before 2003, you should refer to DOR’s 2002 estate tax guide (for dates of death occurring on or after January 1, 1997 and prior to January 1, 2003) or the 1996 estate tax guide (for dates of death prior to January 1, 1997); or contact DOR’s Estate Tax Unit at 617-887-6930 for more information, since different rules apply.

**This is an important change from the previous inheritance tax, which covers estates of those who died before January 1, 1976; under the earlier system, the tax falls on the value of a decedent’s property after it is received by any beneficiary.*



Federal gross estate
generally consists
of assets owned by
decedent at time of death

Administrator: A person appointed by the probate court to settle an estate of an individual who died leaving no will.

Code: For estate tax purposes Massachusetts adopts the Internal Revenue Code of the United States in effect on December 31, 2000, for the estates of decedents dying on or after January 1, 2003.

Credit for State Death Taxes: A credit formerly allowed by the federal government that reduced the amount of federal estate tax paid by an estate. In order to qualify for the credit, the estate must have paid the allowable amount to a state or states. The federal credit for state death taxes was eliminated for the estates of decedents dying on or after January 1, 2005. The federal government allows a deduction for state death taxes paid for the estates of decedents dying on or after January 1, 2005.

Domicile: A person's permanent and principal home.

Executor: The person named in the will and appointed by the probate court to execute the provisions of a will. **Please note:** If no one is appointed, the term includes the administrator of the decedent's estate. If there is no executor or administrator appointed, qualified and acting within the Commonwealth, then any person in actual or constructive possession of any property of the decedent is considered an "executor" for Massachusetts estate tax purposes.

Federal Gross Estate: The value of property or interest therein as defined by the Internal Revenue Code in effect on December 31, 2000. The property may be vested or contingent, real or personal, tangible or intangible, jointly held or in the decedent's name alone and, wherever situated, beneficially owned by the decedent at the time of death.

Intangible Property: Property that does not have value in itself but represents value such as stocks, bank accounts, insurance and pensions.

Lien: A legal claim by the Commonwealth which automatically arises on all property taxable in the Massachusetts estate on the date of death.

Massachusetts Estate Tax: The amount of the federal credit for state death taxes, or the portion thereof, computed using the Internal Revenue Code in effect on December 31, 2000, that is paid to Massachusetts.

Nonprobate Property: Property owned by or in which the decedent had an interest on the date of his or her death and which passes by provisions other than by will or the laws of intestacy such as assets held jointly or by a trust, life insurance not payable to the estate, etc.

Person in Possession: Any person in actual or constructive possession of any property of the decedent, including probate and nonprobate property such as jointly owned assets or life insurance.

Probate Property: All assets that were owned by the decedent in his or her name alone or as tenant in common on the date of his or her death and that pass by will or by the laws of intestacy.

Qualified Terminable Interest Property (QTIP): Property that qualifies for the marital deduction provided (1) the property passes from a decedent to a surviving spouse, (2) the surviving spouse has a qualified income interest for life in the property and (3) the executor of the decedent's estate makes an irrevocable election to qualify the QTIP property for the marital deduction.

Resident: Any person whose permanent and principal home is in the Commonwealth.

Sponge Tax: A term commonly used to describe an estate tax system whereby the amount of estate tax due a particular state is a portion of, or all of, the credit for state death taxes allowed by the federal government.

Tangible Personal Property: Property that is movable and has a visible existence and a value of its own, such as automobiles, boats, equipment, furniture, jewelry, coin collections and silver.

Who must file, and how is it done?

For dates of death on or after January 1, 2003, the executor of a decedent who was a domiciliary of Massachusetts must file a Massachusetts Estate Tax Return (Form M-706) if the gross value of an estate, plus adjusted taxable gifts, exceeds the applicable exclusion amount in the Internal Revenue Code in effect on December 31, 2000. The applicable exclusion amounts **for Massachusetts estate tax purposes** are as follows:

2003.	\$ 700,000
2004.	\$ 850,000
2005.	\$ 950,000
2006 and thereafter	\$1,000,000

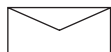
The filing thresholds and the exempt amounts are different for federal estate tax purposes as the federal estate tax is computed using the Internal Revenue Code in effect on the decedent's date of death. The applicable exclusion amounts **for federal estate tax purposes** are as follows:

2003.	\$1,000,000
2004 and 2005.	\$1,500,000
2006, 2007 and 2008. . .	\$2,000,000
2009.	\$3,500,000
2010.	No tax
2011.	\$1,000,000

The executor of the estate of a nonresident decedent who owned or transferred real estate or tangible personal property located in Massachusetts must file a Massachusetts Nonresident Decedent Affidavit (Form M-NRA) with Form M-706.

Special rules apply for citizens and noncitizens who are nonresidents of the United States and have property taxable in Massachusetts. Contact the Estate Tax Unit at 617-887-6930 for instructions.

The person executing and filing the return is personally liable for payment of any tax shown on the return if it is not otherwise paid. The return and tax payment should be sent to the Massachusetts Estate Tax Unit, PO Box 7023, Boston, MA 02204.



Estate Tax Unit
PO Box 7023
Boston, MA 02204

Who is considered the executor for purposes of the Massachusetts estate tax?

Under Massachusetts estate tax law, the term "executor" is defined as the executor or administrator of the decedent, or if there is no executor or administrator appointed, qualified and acting within the Commonwealth, then any person in actual or constructive possession of any property of the decedent.

When must the return be filed?

Where the gross estate exceeds the filing threshold, the return and tax payment are due nine months after the date of the decedent's death.

Can an extension of time to file be granted?

By submitting an Application for Extension of Time to File Massachusetts Estate Tax Return (Form M-4768), an extension of time to file may be granted for a reasonable period, provided the application is made on or before the due date of Form M-706 and 100 percent of the estimated amount of tax is paid. Failure to pay at least 80 percent of the amount of tax finally determined to be due on or before the due date will void any extension of time to file, and the return will be subject to the late filing penalty and, possibly, the late payment penalty. Interest is due on any unpaid tax from the original due date. (Please see below for more information on interest rates.)

Can an extension of the payment due date be granted?

By filing an Application for Extension of Time to Pay Massachusetts Estate Tax (Form M-4768A), an extension of time to pay may be granted for a reasonable period, not to exceed six months. However, when an extension of time to pay is granted, interest on any unpaid tax accrues from the original due date. An extension is granted only for reasonable cause. An extension of up to three years from the due date may be granted upon a showing of undue hardship.

What happens if the return is late?

Failure to file a required return within nine months from the date of death or within an approved period of extension will result in penalties and interest being applied at the following rates:

- **Late Filing Penalty** — 1 percent per month (or fraction thereof) to a maximum of 25 percent of the tax as finally determined to be due.
- **Late Payment Penalty** — ½ of one percent per month (or fraction thereof) to a maximum of 25 percent of the tax reported as due on the return.
- **Interest** — The Massachusetts interest rate for underpayments of state taxes is equal to the federal short-term rate (which can change quarterly) plus four percentage points, compounded daily. The interest rate on overpayments of tax is equal to the federal short-term rate (which can change quarterly) plus two percentage points, simple interest. If you wish to obtain information on these rates, please call DOR's Customer Service Bureau at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089.

M.G.L. c. 62C, § 36 limits the payment of refunds on certain late filed returns. The new limitations apply to returns filed on or after December 4, 2003. Generally, applications for refunds filed more than three years from the due date of the return, without regard to extensions, or two years from the date the tax was paid, whichever is later, will be denied. If the refund is denied pursuant to this provision, there is no credit applied to any other tax type. For additional information regarding this limitation on the payment of refunds, see TIR 04-3, *New Limitations on Payment of Refunds Claimed on Late Filed Returns*, available on the DOR website at www.mass.gov/dor.

There are other consequences beyond these penalty and interest charges. At the time of death, a lien automatically arises by operation of law on all real estate owned by a decedent, either alone or jointly held. Failure to file a Form M-706, Massachusetts Estate Tax Return (and a Form M-NRA, Massachusetts Nonresident Decedent Affidavit, for nonresidents) will prevent the issuance of a Certificate Releasing Massachusetts Estate Tax Lien (Form M-792). A release of lien is necessary to obtain clear title and to sell or otherwise transfer ownership of the real estate.

When is a release of lien necessary?

For dates of death on or after January 1, 1997, if the amount of the gross estate requires the filing of a Massachusetts estate tax return, a Certificate Releasing Massachusetts Estate Tax Lien (Form M-792) is necessary for real estate owned jointly or as tenants by the entirety, real estate held in trust and other real estate that is not part of the probate inventory but is



Form M-792 is necessary
to obtain clear title to
real estate

includible in the gross estate. Form M-792 may be required for probate real estate where there is a sale pending (or mortgage commitment), and no closing letter has been issued.

If the return has been filed previously, the taxpayer should forward a copy of the purchase and sale agreement (or mortgage commitment) and indicate that a return has been filed in order to expedite issuance of Form M-792.

Where the return has not yet been filed, an Application for Certificate Releasing Massachusetts Estate Tax Lien (Form M-4422) may be filed, provided all three of the following conditions exist:

- A Massachusetts estate tax will be due;
- The transaction is occurring sooner than nine months after the decedent's death, or later than nine months if the estate is filing during the time allowed by an approved extension of time to file M-706; and
- There is an executed purchase and sale agreement (or mortgage commitment) for real estate which is includible in the decedent's estate.

The application must be filed with Form M-792 in triplicate, an attested copy of the deed, a copy of the purchase and sale agreement (or mortgage commitment) and payment of the estimated amount of the tax due. A completed Form M-706 (and a Form M-NRA for nonresidents) still must be filed within nine months of the date of death or during the time allowed by an approved extension of time to file Form M-706.

How can an executor or other fiduciary obtain a release of lien on real estate when there is no Massachusetts estate tax filing requirement?

For estates of decedents dying on or after January 1, 2003, an affidavit of the executor, subscribed to under the pains and penalties of perjury, recorded in the registry of deeds and accurately stating that the gross estate of the decedent does not necessitate a Massachusetts estate tax filing is required to release the gross estate of the lien for estates that are less than the Massachusetts filing requirement for the year of death. DOR does not publish blank affidavits for filing in the registry of deeds. Some registries of deeds may publish sample affidavits and provide them to the public.

For the estates of decedents dying on or after January 1, 2003, that equal or exceed the Massachusetts filing requirement for the year of death, the Commissioner of Revenue will release the lien with respect to property if the Commissioner is satisfied that the collection of the tax will not be jeopardized. The Commissioner will release the lien by issuing Form M-792, Certificate Releasing Massachusetts Estate Tax Lien.

What documents must accompany Form M-706?

Various documents must be filed with the return. Failure to file these documents will delay the return's processing. The major supporting documents required to be filed with the Massachusetts Estate Tax Return (Form M-706), where applicable, are:

- *An executed copy of the federal estate tax return, Form 706 (with a revision date of July 1999), including all schedules and exhibits. Required exhibits, including the death certificate, are described in General Instructions, Section I, Supplemental Documents of the Form 706 instructions (with a revision date of July 1999) and in the instructions for various schedules of Form 706. **All estates must file a copy of the federal Form 706 with a revision date of July 1999 when filing Form M-706.** The July 1999 revision of Form 706 and the July 1999 instructions for Form 706 are available on the DOR website at www.mass.gov/dor. If the estate is required to file a current federal Form 706, include a copy of that return, with all schedules and exhibits, in addition to Form 706 (with a revision date of July 1999) and the Form M-706. If some or all of the exhibits for the July 1999 revision of Form 706 and the current version of Form 706 are the same, submit one set of exhibits.*
- *A Federal Closing Letter submitted to DOR within two months of receipt, if the filing of Form 706 is required. This includes both the federal letter of acceptance and line adjustments, if any. Copies of federal changes must be accompanied by an Application for Abatement/Amended Return (Form CA-6), or by an amended Form M-706, as appropriate. No Massachusetts Estate Closing Letter will be issued without a copy of the Federal Closing Letter.*

- *A Certificate Releasing Massachusetts Estate Tax Lien (Form M-792) in triplicate for each parcel of real estate where a release of lien is required. A copy of the deed or certificate of title, and the purchase and sale agreement (or mortgage commitment), if any, should be supplied.*
- *A Massachusetts Nonresident Decedent Affidavit (Form M-NRA) for the estates of nonresident decedents.*

How must property included in the estate be valued?

All property includible in the gross estate is reported at its fair market value on the date of the decedent's death or on the alternate valuation date six months later. Special Internal Revenue Service rules apply to the Qualified Family-Owned Business Interest Deduction (Schedule T on the July 1999 revision of the federal Form 706) and the Qualified Conservation Easement Exclusion (Schedule U on the July 1999 revision of the federal Form 706). For more information on these rules, please contact the Estate Tax Unit at 617-887-6930.

What property must be included in the gross estate?

The gross estate for federal estate tax purposes includes all property in which the decedent had an interest. It also includes:

- *Certain transfers made during the decedent's life without an adequate and full consideration in money or money's worth;*
- *Annuities;*
- *Joint estates with right of survivorship;*
- *Tenancies by the entirety;*
- *Life insurance proceeds (even though payable to beneficiaries other than the estate);*
- *Property over which the decedent possessed a general power of appointment;*
- *Dower or curtesy (or statutory estate) of the surviving spouse; and*
- *Community property to the extent of the decedent's interest as defined by applicable law.*

How is the Massachusetts estate tax computed?

Effective for dates of death on or after January 1, 2003, the Massachusetts estate tax for the estates of residents and nonresidents is computed with reference to the allowable federal estate tax credit for state death taxes allowed in the Internal Revenue Code in effect on December 31, 2000. If an estate consists solely of property subject to Massachusetts estate taxation, it pays to Massachusetts an amount equal to the federal credit for state death taxes computed using the Internal Revenue Code in effect on December 31, 2000. The federal rate table used to compute the credit for state death taxes is set out on page 16.

In the case of a resident of Massachusetts who owned or transferred real estate or tangible personal property located outside of Massachusetts, Massachusetts grants a credit for estate or inheritance taxes properly paid to other states. In these cases, the Massachusetts estate tax is the amount of the federal credit for state death taxes minus the lesser of:

- (1) The total of the amount of all estate, inheritance, legacy and succession taxes actually paid to other states for property owned by the decedent or subject to those taxes in connection with the estate; or
- (2) The amount equal to the proportion of the allowable credit as the value of the properties taxable by other states bears to the value of the entire federal gross estate wherever situated. This calculation is made as follows:

$$\frac{\text{Gross value of property taxed by other states}}{\text{Federal gross estate}} \times \text{Credit for state death taxes}$$

In the case of a nonresident of Massachusetts who owned or transferred real estate or tangible personal property located in Massachusetts, use the Massachusetts Estate Tax Return (Form M-706) to compute the amount payable to Massachusetts. The amount of the Massachusetts nonresident estate tax is the proportion of the allowable credit from the federal estate tax return that the gross value of the Massachusetts prop-

erty bears to the entire federal gross estate wherever situated. This calculation is made as follows:

$$\frac{\text{Gross value of real property and tangible personal property in Massachusetts}}{\text{Federal gross estate}} \times \text{Credit for state death taxes}$$

Can the tax liability be adjusted after Form M-706 is filed?

A taxpayer who believes that the assessed tax liability is excessive may apply to the Commissioner of Revenue for an abatement within three years from the due date of the return without regard to any extension of time to file, within two years from the date the tax was assessed or within one year from the date the tax was paid, whichever occurs latest.

All essential information must be filed with DOR's Customer Service Bureau on an Application for Abatement/Amended Return (Form CA-6). If you would like to request a hearing, the request must be indicated on the abatement application. The taxpayer will be notified in writing of the Commissioner's decision. If the abatement is denied in whole or in part, the taxpayer may, within 60 days from the notice of denial, appeal to the Appellate Tax Board on all issues or to the probate court on all issues except valuation.

A taxpayer also may request settlement consideration by filing an Appeals Form (Form DR-1) with DOR's Office of Appeals. More information about the appeals process is contained in **A Guide to the Department of Revenue: Your Taxpayer Bill of Rights**, available on the DOR website at www.mass.gov/dor.



Any hearing request
should be indicated
on Form CA-6

Computation of Maximum Federal Credit for State Death Taxes

The following table is used to compute the credit for state death taxes under Internal Revenue Code Section 2011 in effect on December 31, 2000.

Adjusted taxable estate*					
From	To	Credit	+	% of	Excess over
\$ 0	\$ 40,000	\$ 0		0.0	\$ 0
40,000	90,000	0		0.8	40,000
90,000	140,000	400		1.6	90,000
140,000	240,000	1,200		2.4	140,000
240,000	440,000	3,600		3.2	240,000
440,000	640,000	10,000		4.0	440,000
640,000	840,000	18,000		4.8	640,000
840,000	1,040,000	27,600		5.6	840,000
1,040,000	1,540,000	38,800		6.4	1,040,000
1,540,000	2,040,000	70,800		7.2	1,540,000
2,040,000	2,540,000	106,800		8.0	2,040,000
2,540,000	3,040,000	146,800		8.8	2,540,000
3,040,000	3,540,000	190,800		9.6	3,040,000
3,540,000	4,040,000	238,800		10.4	3,540,000
4,040,000	5,040,000	290,800		11.2	4,040,000
5,040,000	6,040,000	402,800		12.0	5,040,000
6,040,000	7,040,000	522,800		12.8	6,040,000
7,040,000	8,040,000	650,800		13.6	7,040,000
8,040,000	9,040,000	786,800		14.4	8,040,000
9,040,000	10,040,000	930,800		15.2	9,040,000
10,040,000	—	1,082,800		16.0	10,040,000

*The "adjusted taxable estate" used in determining the allowable credit for state death taxes in the above table is the federal taxable estate (total federal gross estate minus allowable federal deductions) less \$60,000.

No credit for state death taxes is allowable if the "adjusted taxable estate" is \$40,000 or less.

Example 1: **Facts:** A decedent dies in 2007 with a gross estate of \$1,580,000. The decedent had not made any gifts during his lifetime and did not own any property outside of Massachusetts. The deductions of the estate are \$80,000. The taxable estate is \$1,500,000 (\$1,580,000 less \$80,000).

Computation of the credit for state death taxes for Massachusetts estate tax purposes. The maximum federal credit for state death taxes is \$64,400. The computation is as follows:

1. The adjusted taxable estate is \$1,440,000 (\$1,500,000 less \$60,000).
2. An adjusted taxable estate of \$1,440,000 is within the range of the numbers on the ninth line (from chart on page 16): \$1,040,000 to \$1,540,000.
3. The credit on the first \$1,040,000 is \$38,800.
4. The credit on any amount in excess of \$1,040,000 and up to \$1,540,000 is computed at the rate of 6.4 percent.
5. In this example, \$400,000 is in excess of \$1,040,000 (\$1,440,000 less \$1,040,000).
6. The credit on \$400,000 is \$25,600 (\$400,000 × .064).
7. The maximum credit for state death taxes is \$64,400 (\$38,800 plus \$25,600).

The Massachusetts estate tax is equal to the amount of the maximum credit for state death taxes, which is computed using the Internal Revenue Code Section 2011 in effect on December 31, 2000.

In some estates, the federal estate tax less the unified credit (applicable credit amount) computed using the Internal Revenue Code in effect on December 31, 2000, is less than the credit for state death taxes. In those situations, the credit for state death taxes is limited to the amount of the federal estate tax less the unified credit (applicable credit amount). In Example 1, the federal estate tax less the unified credit (applicable credit amount) is \$210,000. Since the credit for state death taxes in Example 1 is smaller than the federal estate tax less the unified credit, the limitation

does not apply. Example 2 illustrates the tax computation for an estate in which the limitation is applicable.

Example 2: Facts: A decedent dies in 2007 with a gross estate of \$1,100,000. The decedent had not made any gifts during his lifetime and did not own any property outside of Massachusetts. The deductions of the estate are \$50,000. The taxable estate is \$1,050,000 (\$1,100,000 less \$50,000).

Step 1: Computation of the credit for state death taxes for Massachusetts estate tax purposes. The maximum federal credit for state death taxes is \$36,000. The computation is as follows:

1. The adjusted taxable estate is \$990,000 (\$1,050,000 less \$60,000).
2. An adjusted taxable estate of \$990,000 is within the range of numbers on the eighth line (from chart on page 16): \$840,000 to \$1,040,000.
3. The credit on the first \$840,000 is \$27,600.
4. The credit on any amount in excess of \$840,000 and up to \$1,040,000 is computed at the rate of 5.6 percent.
5. In this example, \$150,000 is in excess of \$840,000 (\$990,000 less \$840,000).
6. The credit on \$150,000 is \$8,400 ($\$150,000 \times .056$).
7. The maximum credit for state death taxes is \$36,000 (\$27,600 plus \$8,400).

Step 2: Computation of the federal estate tax using the Internal Revenue Code in effect on December 31, 2000. The federal estate tax is \$20,500. It is computed using Table A, Unified Rate Schedule, from page 12 of the July 1999 revision of the instructions for Form 706 and the unified credit (applicable credit amount) for 2006 from the instructions for line 11 from page 4 of the July 1999 revision of the instructions for Form 706. The July 1999 revision of Form 706 and the July 1999 instructions for Form 706 are available on the DOR website at www.mass.gov/dor. The computation is as follows:

1. A taxable estate of \$1,050,000 is within the range of the numbers on the twelfth line of Table A: \$1,000,000 to \$1,250,000.
2. The tax on the first \$1,000,000 is \$345,800.
3. The tax on any amount in excess of \$1,000,000 and up to \$1,250,000 is computed at the rate of 41 percent.
4. In this example, \$50,000 is in excess of \$1,000,000 (\$1,050,000 less \$1,000,000).
5. The tax on \$50,000 is \$20,500 ($\$50,000 \times .41$).
6. The tentative tax computed by using Table A is \$366,300 (\$345,800 plus \$20,500).
7. The tentative tax computed using Table A is reduced by the unified credit (applicable credit amount). For deaths occurring in 2006, the unified credit (applicable credit amount) from the instructions for line 11 is \$345,800. This is an applicable exclusion amount of \$1,000,000.
8. The federal estate tax after reduction by the amount of the unified credit (applicable credit amount) is \$20,500 (\$366,300 less \$345,800).

Step 3: Computation of the amount of the credit for state death taxes payable to Massachusetts. The amount of the credit for state death taxes cannot be more than the federal estate tax less the unified credit (applicable credit amount). The computation of the amount payable to Massachusetts is determined as follows:

1. The amount of the credit for state death taxes from step 1, line 7 of this example is \$36,000.
2. The amount of the federal estate tax after reduction by the amount of the unified credit (applicable credit amount) from step 2, line 8 of this example is \$20,500.
3. Since the amount of the federal estate tax is less than the credit for state death taxes, the amount of the credit for state death taxes is limited to the amount of the federal estate tax. Therefore, the amount of the credit for state death taxes that is payable to Massachusetts is reduced to \$20,500.

Commonly Requested Forms and Publications

DOR offers a number of forms and publications on various state tax issues. Most are available by visiting the DOR website at www.mass.gov/dor or by calling DOR's main information lines at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089.

Form Number	Title
	<i>Estate Tax Form Menu</i>
CA-6	<i>Application for Abatement/Amended Return</i>
M-706	<i>Massachusetts Estate Tax Return</i>
M-NRA	<i>Massachusetts Nonresident Decedent Affidavit</i>
M-792	<i>Certificate Releasing Massachusetts Estate Tax Lien</i>
M-4422	<i>Application for Certificate Releasing Massachusetts Estate Tax Lien</i>
M-4768	<i>Application for Extension of Time to File Massachusetts Estate Tax Return</i>
M-4768A	<i>Application for Extension of Time to Pay Massachusetts Estate Tax</i>

Publications

A Guide to the Department of Revenue: Your Taxpayer Bill of Rights

A Guide to Withholding of Taxes on Wages

Should You Be Paying Individual Estimated Taxes?

A Guide to Sales and Use Tax

A Guide to Sales Tax on Meals

A Guide to Estate Taxes (Applicable to dates of death prior to January 1, 1997)

A Guide to Estate Taxes (Applicable to dates of death on or after January 1, 1997 and prior to January 1, 2003)

A Guide to Estate Taxes (Applicable to dates of death on or after January 1, 2003)

DOR Regulations, Technical Information Releases, Directives and Letter Rulings are prepared on general tax issues as well as specific taxpayer inquiries and are available on the DOR website, or by calling DOR's Rulings and Regulations Bureau at 617-626-3250. Copies also are published in the **MASSTAX Guide**.

MASSTAX Guide contains five volumes covering all state taxes and DOR administrative procedures; it is available for purchase through Thomson West (1-800-328-9352) or for reference at many law libraries and at the State House Library.

What kind of help is available?



If you have questions,
call or visit the
Estate Tax Unit

The information provided on the Department of Revenue's website, as well as the instructions in DOR's tax forms, should provide answers to most taxpayer questions. Personal estate tax assistance is available by visiting the Estate Tax Unit at 200 Arlington Street, Chelsea, MA, Monday through Friday from 9:00 a.m. to 12:00 p.m. or by calling 617-887-6930, Monday through Friday from 8:45 a.m. to 5:00 p.m. For help in one of the following specific areas, please call the appropriate number below.

Case Status	617-887-6930	Estate Assessing	617-887-6930
Fiduciary	617-887-MDOR	Release of Lien	617-887-6930
Forms	617-887-6940	Taxpayer Assistance	617-887-6930

DOR also issues a number of useful publications on various state tax issues. These publications include: tax-specific guides written in question and answer format such as **A Guide to the Department of Revenue: Your Taxpayer Bill of Rights**; and public written statements that explain the Commonwealth's tax laws in detail.

Where to get forms and publications



Many Massachusetts tax forms and publications also are available via the Department's website at www.mass.gov/dor.



To obtain Massachusetts estate tax forms by phone, call the Estate Tax Unit's forms line at 617-887-6940. To obtain most other Massachusetts forms and publications by phone, call the Department's main information lines at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089. Please note that many forms and publications are available 24 hours a day by calling the Department's automated forms request system at the numbers listed above.

Department of Revenue

Toll-free in Massachusetts: **1-800-392-6089**
Online: **www.mass.gov/dor**